



## Constellation Reports Third Quarter 2024 Results

November 4, 2024

### Earnings Release Highlights

- GAAP Net Income of \$3.82 per share and Adjusted (non-GAAP) Operating Earnings of \$2.74 per share for the third quarter of 2024
- Raising midpoint and narrowing full-year 2024 Adjusted (non-GAAP) Operating Earnings guidance range to \$8.00 – \$8.40 per share
- Announced the signing of a 20-year power purchase agreement with Microsoft that will support the launch of the Crane Clean Energy Center

BALTIMORE--(BUSINESS WIRE)--Nov. 4, 2024-- Constellation Energy Corporation (Nasdaq: CEG) today reported its financial results for the third quarter of 2024.

“The importance of AI and the data economy to America’s economic competitiveness and national security can’t be overstated, and Constellation will do our part to meet the moment. Our customers are looking for clean, emissions-free energy that they can rely on in every hour of every day, and nothing exemplifies that imperative more than our 20-year agreement with Microsoft to restart the Crane Clean Energy Center,” said Joe Dominguez, president and CEO, Constellation. “There is no more important commodity in the world today than clean energy that is there when you need it. We continue to see opportunities to add clean energy to the grid by extending the life and increasing the output of our nuclear fleet to meet the nation’s growing needs in a way that creates jobs, benefits grid reliability and protects the environment.”

“Our generation fleet performed exceptionally well during the quarter, and we are on track to beat our average refueling outage duration by more than 2 days which is more than 50% below the industry average,” said Dan Eggers, chief financial officer, Constellation. “Our commercial team continued to create exceptional value through optimizing both our generation and load businesses. As a result, we are raising Adjusted (non-GAAP) Operating Earnings guidance range for the full year to \$8.00 – \$8.40 per share, up from \$7.60 – \$8.40 per share. This guidance is built upon a strong financial foundation in the third quarter, including Adjusted (non-GAAP) Operating Earnings of \$2.74 per share, up from \$2.13 per share in the same quarter last year.”

### Third Quarter 2024

Our GAAP Net Income for the third quarter of 2024 increased to \$3.82 per share from \$2.26 per share in the third quarter of 2023. Adjusted (non-GAAP) Operating Earnings for the third quarter of 2024 increased to \$2.74 per share from \$2.13 per share in the third quarter of 2023. For the reconciliations of GAAP Net Income (Loss) to Adjusted (non-GAAP) Operating Earnings, refer to the GAAP/Adjusted (non-GAAP) Operating Earnings Reconciliation section below.

Adjusted (non-GAAP) Operating Earnings in the third quarter of 2024 primarily reflects:

- Favorable nuclear PTC portfolio results and favorable net market and portfolio conditions; partially offset by unfavorable labor (inclusive of incentives), contracting and materials, and impacts of nuclear outages in 2024 compared to 2023.

### Recent Developments and Third Quarter Highlights

- **Announcing Crane Clean Energy Center:** During the third quarter of 2024, we executed a 20-year PPA with Microsoft that will support the restart of Three Mile Island Unit 1, renamed as the Crane Clean Energy Center, which was retired in 2019 for economic reasons. Under the agreement, Microsoft will purchase the output generated from the renewed plant as part of its goal to help power its data centers in PJM with clean energy. We expect Crane will also be eligible for the technology-neutral clean electricity PTC (45Y) provided for by the IRA for its first 10 years of operations. We estimate the project will require approximately \$1.6 billion of cash from operations for capital expenditures necessary to restart the plant, with an estimated in-service date of 2028. The restart of the plant and delivery of electricity under the PPA is subject to certain regulatory approvals, including the NRC comprehensive safety and environmental review, as well as permits from relevant state and local agencies. Additionally, through a separate request, we will pursue obtaining a renewed license that will extend operations at the plant to at least 2054.
- **Nuclear Operations:** Our nuclear fleet, including our owned output from the Salem and South Texas Project (STP) Generating Stations, produced 45,510 gigawatt-hours (GWhs) in the third quarter of 2024, compared with 44,125 GWhs in the third quarter of 2023. Excluding Salem and STP, our nuclear plants at ownership achieved a 95.0% capacity factor for the third quarter of 2024, compared with 97.2% for the third quarter of 2023. There were 37 planned refueling outage days in the third quarter of 2024 and 20 in the third quarter of 2023 for sites we operate. There were 20 non-refueling outage days in the third quarter of 2024 and 10 in the third quarter of 2023 for sites we operate.
- **Natural Gas, Oil, and Renewables Operations:** The dispatch match rate for our fleet was 98.2% in the third quarter of

2024, compared with 98.5% in the third quarter of 2023. Renewable energy capture for our fleet was 96.0% in the third quarter of 2024, compared with 96.6% in the third quarter of 2023.

#### GAAP/Adjusted (non-GAAP) Operating Earnings Reconciliation

Unless otherwise noted, the income tax impact of each reconciling adjustment between GAAP Net Income (Loss) Attributable to Common Shareholders and Adjusted (non-GAAP) Operating Earnings is based on the marginal statutory federal and state income tax rates, taking into account whether the income or expense item is taxable or deductible, respectively, in whole or in part. For all adjustments except the NDT fund investment returns, which are included in decommissioning-related activities, the marginal statutory income tax rate was 25.5% and 25.1% for the three months ended September 30, 2024 and 2023. Under IRS regulations, NDT fund investment returns are taxed at different rates for investments if they are in qualified or non-qualified funds. The effective tax rates for the unrealized and realized gains and losses related to NDT funds were 54.6% and 52.6% for the three months ended September 30, 2024 and 2023, respectively. Adjusted (non-GAAP) Operating Earnings for the third quarter of 2024 and 2023, respectively, does not include the following items (after tax) that were included in our reported GAAP Net Income (Loss):

<u>(In millions, except per share data)</u>	<b>Three Months Ended September 30, 2024</b>	<b>Earnings Per Share<sup>(1)</sup></b>
<b>GAAP Net Income (Loss) Attributable to Common Shareholders</b>	<b>\$ 1,200</b>	<b>\$ 3.82</b>
Unrealized (Gain) Loss on Fair Value Adjustments (net of taxes of \$72)	(210)	(0.67)
Plant Retirements and Divestitures (net of taxes of \$10)	30	0.10
Decommissioning-Related Activities (net of taxes of \$207)	(195)	(0.62)
Pension & OPEB Non-Service (Credits) Costs (net of taxes of \$1)	(2)	(0.01)
ERP System Implementation Costs (net of taxes of \$—)	1	—
Change in Environmental Liabilities (net of taxes of \$2)	5	0.02
Income Tax-Related Adjustments	33	0.11
Noncontrolling Interests (net of taxes of \$—)	(2)	(0.01)
<b>Adjusted (non-GAAP) Operating Earnings</b>	<b>\$ 860</b>	<b>\$ 2.74</b>

<u>(In millions, except per share data)</u>	<b>Three Months Ended September 30, 2023</b>	<b>Earnings Per Share<sup>(1)</sup></b>
<b>GAAP Net Income (Loss) Attributable to Common Shareholders</b>	<b>\$ 731</b>	<b>\$ 2.26</b>
Unrealized (Gain) Loss on Fair Value Adjustments (net of taxes of \$53)	(158)	(0.49)
Plant Retirements and Divestitures (net of taxes of \$—)	1	—
Decommissioning-Related Activities (net of taxes of \$48)	76	0.24
Pension & OPEB Non-Service (Credits) Costs (net of taxes of \$3)	(10)	(0.03)
Separation Costs (net of taxes of \$6)	17	0.05
ERP System Implementation Costs (net of taxes of \$1)	4	0.01
Change in Environmental Liabilities (net of taxes of \$3)	9	0.03
Acquisition Related Costs (net of taxes of \$1)	1	—
Asset Impairments (net of taxes of \$9)	62	0.19
Income Tax Related Adjustments	(9)	(0.03)
Noncontrolling Interests (net of taxes of \$—)	(36)	(0.11)
<b>Adjusted (non-GAAP) Operating Earnings</b>	<b>\$ 688</b>	<b>\$ 2.13</b>

(1) Amounts may not sum due to rounding. Earnings per share amount is based on average diluted common shares outstanding of 314 million and 323 million for the three months ended September 30, 2024 and 2023, respectively.

#### Webcast Information

We will discuss third quarter 2024 earnings in a conference call scheduled for today at 10 a.m. Eastern Time. The webcast and associated materials can be accessed at <https://investors.constellationenergy.com>.

#### About Constellation

A Fortune 200 company headquartered in Baltimore, Constellation Energy Corporation (Nasdaq: CEG) is the nation's largest producer of clean, emissions-free energy and a leading supplier of energy products and services to businesses, homes, community aggregations and public sector customers across the continental United States, including three fourths of Fortune 100 companies. With annual output that is nearly 90% carbon-free, our hydro, wind and solar facilities paired with the nation's largest nuclear fleet have the generating capacity to power the equivalent of more than 16 million average homes, providing about 10% of the nation's clean energy. We are further accelerating the nation's transition to a carbon-free future by helping our customers reach their sustainability goals, setting our own ambitious goal of achieving 100% carbon-free generation by 2040, and by investing in promising emerging technologies to eliminate carbon emissions across all sectors of the economy. Follow Constellation on LinkedIn and X.

#### Non-GAAP Financial Measures

We utilize Adjusted (non-GAAP) Operating Earnings (and/or its per share equivalent) in our internal analysis, and in communications with investors and analysts, as a consistent measure for comparing our financial performance and discussing the factors and trends affecting our business. The presentation of Adjusted (non-GAAP) Operating Earnings is intended to complement and should not be considered an alternative to, nor more useful

than, the presentation of GAAP Net Income.

The tables above provide a reconciliation of GAAP Net Income to Adjusted (non-GAAP) Operating Earnings. Adjusted (non-GAAP) Operating Earnings is not a standardized financial measure and may not be comparable to other companies' presentations of similarly titled measures.

Due to the forward-looking nature of our Adjusted (non-GAAP) Operating Earnings guidance, we are unable to reconcile this non-GAAP financial measure to GAAP Net Income given the inherent uncertainty required in projecting gains and losses associated with the various fair value adjustments required by GAAP. These adjustments include future changes in fair value impacting the derivative instruments utilized in our current business operations, as well as the debt and equity securities held within our nuclear decommissioning trusts, which may have a material impact on our future GAAP results.

#### Cautionary Statements Regarding Forward-Looking Information

This press release contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that are subject to risks and uncertainties. Words such as "could," "may," "expects," "anticipates," "will," "targets," "goals," "projects," "intends," "plans," "believes," "seeks," "estimates," "predicts," and variations on such words, and similar expressions that reflect our current views with respect to future events and operational, economic, and financial performance, are intended to identify such forward-looking statements.

The factors that could cause actual results to differ materially from the forward-looking statements made by Constellation Energy Corporation and Constellation Energy Generation, LLC, (the Registrants) include those factors discussed herein, as well as the items discussed in (1) the Registrants' 2023 Annual Report on Form 10-K in (a) Part I, ITEM 1A. Risk Factors, (b) Part II, ITEM 7. Management's Discussion and Analysis of Financial Condition and Results of Operations, and (c) Part II, ITEM 8. Financial Statements and Supplementary Data: Note 19, Commitments and Contingencies; (2) the Registrants' Third Quarter 2024 Quarterly Report on Form 10-Q (to be filed on November 4, 2024) in (a) Part II, ITEM 1A. Risk Factors, (b) Part I, ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations, and (c) Part I, ITEM 1. Financial Statements: Note 13, Commitments and Contingencies; and (3) other factors discussed in filings with the SEC by the Registrants.

Investors are cautioned not to place undue reliance on these forward-looking statements, whether written or oral, which apply only as of the date of this press release. Neither Registrant undertakes any obligation to publicly release any revision to its forward-looking statements to reflect events or circumstances after the date of this press release.

**Constellation Energy Corporation**  
**GAAP Consolidated Statements of Operations and**  
**Adjusted (non-GAAP) Operating Earnings Reconciling Adjustments**  
(unaudited)  
(in millions, except per share data)

	Three Months Ended September 30, 2024			Three Months Ended September 30, 2023		
	GAAP (a)	Non-GAAP Adjustments		GAAP (a)	Non-GAAP Adjustments	
<b>Operating revenues</b>	\$ 6,550	\$ (517)	(b),(c)	\$ 6,111	\$ (178)	(b),(c)
<b>Operating expenses</b>						
Purchased power and fuel	3,119	(113)	(b)	3,367	(38)	(b)
Operating and maintenance	1,535	(14)	(c),(f),(g),(i)	1,353	(79)	(f),(i),(k),(l)
Depreciation and amortization	266	(50)	(c),(g)	266	(47)	(c),(g)
Taxes other than income taxes	165	—		148	—	
Total operating expenses	5,085			5,134		
<b>Gain (loss) on sales of assets and businesses</b>	2	(2)	(g)	—	—	
<b>Operating income (loss)</b>	1,467			977		
<b>Other income and (deductions)</b>						
Interest expense, net	(147)	18	(b)	(82)	4	(b)
Other, net	325	(314)	(b),(c),(e)	—	23	(b),(c), (d),(e)
Total other income and (deductions)	178			(82)		
<b>Income (loss) before income taxes</b>	1,645			895		
<b>Income tax (benefit) expense</b>	449	(300)	(b),(c),(e), (g),(i),(j)	205	20	(b),(c), (d),(e), (f),(i),(j),(k)
<b>Net income (loss)</b>	1,196			690		
<b>Net income (loss) attributable to noncontrolling interests</b>	(4)	2	(h)	(41)	36	(h)
<b>Net income (loss) attributable to common shareholders</b>	\$ 1,200			\$ 731		
<b>Effective tax rate</b>	27.3%			22.9%		
<b>Earnings per average common share</b>						

Basic	\$	3.83	\$	2.27
Diluted	\$	<u>3.82</u>	\$	<u>2.26</u>
<b>Average common shares outstanding</b>				
Basic		313		322
Diluted		314		323

- (a) Results reported in accordance with GAAP.
- (b) Adjustment for mark-to-market on economic hedges and fair value adjustments related to gas imbalances and equity investments.
- (c) Adjustment for all gains and losses associated with Nuclear Decommissioning Trusts (NDT), Asset Retirement Obligation (ARO) accretion, Asset Retirement Cost (ARC) Depreciation, ARO remeasurement, and any earnings neutral impacts of contractual offset for Regulatory Agreement Units.
- (d) Adjustment for certain incremental costs related to the separation (system-related costs, third-party costs paid to advisors, consultants, lawyers, and other experts assisting in the separation), including a portion of the amounts billed to us pursuant to the transition services agreement (TSA).
- (e) Adjustment for Pension and Other Postretirement Employee Benefits (OPEB) Non-Service credits.
- (f) Adjustment for costs related to a multi-year Enterprise Resource Program (ERP) system implemented in the first quarter of 2024.
- (g) Adjustments related to plant retirements and divestitures.
- (h) Adjustment for elimination of the noncontrolling interest related to certain adjustments.
- (i) Adjustment for changes in environmental liabilities.
- (j) Adjustment to deferred income taxes due to changes in forecasted apportionment.
- (k) Adjustment for an asset impairment.
- (l) Adjustment for acquisition related costs.

**Constellation Energy Corporation**  
**GAAP Consolidated Statements of Operations and**  
**Adjusted (non-GAAP) Operating Earnings Reconciling Adjustments**  
(unaudited)  
(in millions, except per share data)

	Nine Months Ended September 30, 2024			Nine Months Ended September 30, 2023		
	GAAP (a)	Non-GAAP Adjustments		GAAP (a)	Non-GAAP Adjustments	
<b>Operating revenues</b>	\$ 18,186	\$ (774)	(b),(c)	\$ 19,122	\$ (1,320)	(b),(c)
<b>Operating expenses</b>						
Purchased power and fuel	8,828	409	(b)	11,983	(1,466)	(b)
Operating and maintenance	4,666	(213)	(c),(d), (f),(g),(i),	4,263	(260)	(c),(d), (f),(i),(k),(l)
Depreciation and amortization	868	(174)	(c),(g)	808	(148)	(c),(g)
Taxes other than income taxes	446	—		419	—	
Total operating expenses	<u>14,808</u>			<u>17,473</u>		
<b>Gain (loss) on sales of assets and businesses</b>	2	(2)	(g)	28	(27)	(g)
<b>Operating income (loss)</b>	<u>3,380</u>			<u>1,677</u>		
<b>Other income and (deductions)</b>						
Interest expense, net	(416)	17	(b)	(292)	7	(b)
Other, net	693	(645)	(b),(c),(e)	919	(857)	(b),(c), (d),(e)
Total other income and (deductions)	<u>277</u>			<u>627</u>		
<b>Income (loss) before income taxes</b>	<u>3,657</u>			<u>2,304</u>		
			(b),(c), (d),(e), (f),(g),(i),(j)			(b),(c), (d),(e), (f),(g),(i),(j), (k),(l)
<b>Income tax (benefit) expense</b>	768	(504)		677	(181)	
<b>Equity in income (losses) of unconsolidated affiliates</b>	(1)	—		(11)	—	
<b>Net income (loss)</b>	<u>2,888</u>			<u>1,616</u>		
<b>Net income (loss) attributable to noncontrolling interests</b>	(9)	5	(h)	(44)	39	(h)
<b>Net income (loss) attributable to common shareholders</b>	<u>\$ 2,897</u>			<u>\$ 1,660</u>		
<b>Effective tax rate</b>	21.0%			29.4%		

**Earnings per average common share**

Basic	\$ 9.20	\$ 5.12
Diluted	\$ 9.17	\$ 5.11

**Average common shares outstanding**

Basic	315	324
Diluted	316	325

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- (a) Results reported in accordance with GAAP.
  - (b) Adjustment for mark-to-market on economic hedges and fair value adjustments related to gas imbalances and equity investments.
  - (c) Adjustment for all gains and losses associated with NDTs, ARO accretion, ARC Depreciation, ARO remeasurement, and any earnings neutral impacts of contractual offset for Regulatory Agreement Units.
  - (d) Adjustment for certain incremental costs related to the separation (system-related costs, third-party costs paid to advisors, consultants, lawyers, and other experts assisting in the separation), including a portion of the amounts billed to us pursuant to the TSA.
  - (e) Adjustment for Pension and OPEB Non-Service credits.
  - (f) Adjustment for costs related to a multi-year ERP system implemented in the first quarter of 2024.
  - (g) Adjustment related to plant retirements and divestitures.
  - (h) Adjustment for elimination of the noncontrolling interest related to certain adjustments.
  - (i) Adjustment for changes in environmental liabilities.
  - (j) Adjustment to deferred income taxes due to changes in forecasted apportionment.
  - (k) Adjustment for an asset impairment.
  - (l) Adjustment for acquisition related costs.

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